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18 June 1947

Admiral R. A. Spruance
Naval War College
Newport, R. I.

My dear Admiral:

Thank you very much for your letter of 10 June, extending an invitation to address the War College class at 1100 on 23 August.

I shall be very glad to outline the activities of the Central Intelligence Group at that date and shall communicate with you later as to the exact time of my arrival.

With very best wishes, believe me,

Respectfully,

s/ R.H.F. - Supr 19 June 47
R. H. HILLENBERRY
Rear Admiral, USN
Director of Central Intelligence

Distribution:

- ✓ 1 cc Director
- 1 cc Exec Reg
- 2 cc Central Records

Note for record: Executive Director brought Captain Howe, USN, in to see Director re above on 11 June 47.

MEMORANDUM TO: GENERAL WITH

It appears that your letter of 29 November
to General Swing and his letter of 1 December
passed in the mail.

HJM

Noted by DCI
8 Dec 1950

7 Dec 1950
(DATE)

1 Dec ltr to CDSO for info & ret 12/8

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The NATIONAL MILITARY ESTABLISHMENT

JOINT ORIENTATION CONFERENCE

CENTRAL INTELLIGENCE AGENCY PRESENTATION

"MILITARY IMPLICATIONS OF THE WORLD SITUATION"

Tuesday, 9 November 1948 - 9:00 A. M. - Room 3E-689

WASHINGTON, D. C.



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Reported By: R. Taylor
Extension 2262 Room 3C-71

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Tuesday, 9 November 1948 - 9:00 A. M. - Room 3H-689

COLONEL MC FADYEN: In a combat unit, where I have spent most of my life, military intelligence is very simple, three words -- collect, evaluate and disseminate. Let it find out what it is, and then tell the people who should know about it.

On the higher level it is not so simple. We are fortunate in having today the Director of the Central Intelligence Agency, Admiral H. R. Hillenkoetter, and his Staff in Intelligence.

REAR ADMIRAL HILLENKOETTER: Gentlemen, the Central Intelligence Agency was set up under the National Security Act of 1947. Our Board of Directors is the National Security Council. We are the operating branch for them and we are charged with the functions, as Colonel McFadyen said, of collecting, coordinating, accumulating, evaluating and disseminating information as related to national security. Our province is strictly outside the United States.

Among the other duties we have been directed to do is to conduct all espionage and counterespionage outside the United States. The counterpart of that inside the United States is the Federal Bureau of Investigation. Our regions are somewhat different

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from theirs inasmuch as we have no police powers, no subpoena powers, no law enforcement powers. That was put in expressly by Congress, by the people who were supporting the bill, to avoid the charge that the CIA might ever become a Gestapo.

We operate very closely, naturally, with the FBI and pass information back and forth. Just as a slight example, last fall one of our people in the Mediterranean heard a man making threats that he was coming to the United States and kill President Truman. We kept him under surveillance in Lisbon, got him on a plane to the States, and the FBI picked him up in New York. This man is now working for the United Nations. There has been no attempt on the President's life.

The topic assigned to us this morning is Military Implications of the World Situation. That looks like a pretty tremendous topic to take up in an hour, but it can be limited very much because there is only one nation or group of nations that has the potential and the attitude to be a threat to the security of the United States, and that is, of course, Russia and its satellite states.

We don't have to worry about the military capabilities of Nicaragua because they are no threat to us. We don't have to worry about the military capabilities of England, France, the western powers. They don't have the attitude. They are our friends.

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The Russians are in a unique position. They still have in round numbers about 4 million men under arms, of which about 2,500,000 are ground troops, foot soldiers, which have always been and comprise the backbone of the Russian Army's strength. In addition to that they have about 600,000 aviation, 600,000 Navy and 400,000 security police. All these are in round numbers. Their air force has now about 15,000 combat aircraft. During the war the combat aircraft for the Russians consisted almost solely of tactical aircraft. They had very few longrange strategic bombers. Several of our B-29's during the war were forced to land in Manchuria and the Russians immediately took them and used them for samples and prototypes. In the parade in Moscow just a few days ago there was a considerable number of four-engine bombers which looked very much like our B-29's which they built, and it looks now as if they are starting a strategic air force.

In addition to these 4 million people that the Russians have now, the satellite states have approximately 1,300,000 men under arms. But they are very weak in aircraft. In all the satellite states they have perhaps 1700 combat aircraft, and as to these 1,300,000 men under arms, in a war against the western powers there are still great doubts as to how much loyalty would be there for the Russians against the West. There would be some, unquestionably. There also would be a very great

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number of defections.

Another thing which is unique in Russia that affects its capabilities, the military power, is the tremendous para-military organization they have in the Communist Party, both in Russia and outside. That is something that we in the United States and the Western Union powers do not have. For that reason we divided up the talks this morning on the military side and Mr. Harvey from CIA will give a description of the Communist Party and its tactics, Mr. McMillen will give a description of the counterespionage and counterintelligence to expose and prevent such tactics.

As an introduction, Russia now in her absolute strength is quite a bit under and inferior to what she was in 1939 before the war. It seems almost a paradox if she is that way why we are fearing her so much, but relatively she is an immensely greater threat to the United States now than in 1939. In 1939 opposed to the Russian policies you had England, France, Germany, Italy and Japan. Those last three have practically ceased to exist as military powers. The French and British are tremendously weakened, which leaves Russia as her great opponent only the United States. That is why relatively she is much stronger vis-a-vis us now than she was then.

One of the things, at least from the military side, we are hoping to do with ECA is build up the Western Powers both

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economically and militarily to give them strength and set them up again on our side. The faster they get back economic strength and military strength the more proportional does out of the Russian strength to the United States. I'd like to call on Mr. Reitzel now to give the military side. After we all finish we'll have a period of questions and try to answer all you ask.

MR. REITZEL: Gentlemen, the part of this job that I've got this morning is to take this matter of foreign military capabilities and to get them into the right context, the right context meaning that you can draw up your list of capabilities, you can have them as accurate as your intelligence collecting agency can make them for you, but then you come over to this question of evaluation. You've got to find the right context if that information is going to be of significance to the policy-makers.

Now, I am approaching the matter from that side. I'll use again some of the figures that the Admiral just used, but the thing to remember is that we are going into a context.

Now, this is the context that's important, and that is the background of the threat to American security. Military capabilities become more than theoretical abstractions only when you get them into the pattern, the broad pattern

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of international relations. What we've got to start with here in order to make an intelligent appreciation is this principle in international relations. The end of a period of armed conflict inevitably leaves one or more power vacuums in the international structure which have to be filled in some way or other, and inevitably are filled in some way or other.

During and immediately after the close of the last war three obvious vacuums developed in this power structure and the fact that they are hard realities is shown when you realize that they now constitute the three major trouble areas in the world. The Mediterranean and Near East was the first of these. It was created during the war itself by the defeat of Italy, but at that time it was automatically filled by the existence of American and British power -- military, economic, political power -- right on the spot and in action.

At the end of the war a great deal of that American power was pulled out. British power was inadequate to the task of keeping the area filled and a partial vacuum rapidly began to develop. In the Far East the defeat of Japan resulted in an extensive vacuum forming. In general it seems to have been assumed that China would fill part of that vacuum by reabsorbing her own national territory. It also seems to have been assumed that the colonial powers, Great Britain and France and the Netherlands, would flow back into their colonial positions.

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and also prevent the formation of a vacuum, and that the United States would check any possible vacuum that might have formed itself in the Japanese home islands.

As we know, it hasn't turned out that way. The Chinese National Government apparently lacks the attribute of that power that enabled it to fill that hole. As a result, China has become a vacuum in which opposing forces compete to fill the hole. Nor were the colonial states of Western Europe able to perform their historical power function and in consequence, forces of the national party directed by communists have been able to compete for the filling of that power vacuum. In Japan alone has the problem been temporarily solved by the fact that the United States has committed actual military and economic power to the region.

In Europe the hard core of the vacuum was Austria and Germany. Since the war against Germany had been carried out by an alliance of nationals primarily, the apparent original intent was to fill that vacuum by negotiation, agreement, and joint occupation. Unfortunately that vacuum turned out to have an abnormally weak periphery. On the West the states were too badly damaged as going concerns really to act as great powers and pull their weight in the agreements by which this vacuum in Central Europe was going to be filled. To the East the states were so politically disorganized that

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they fell into the hands of well-knit local Communist parties backed by Soviet occupation forces, and in consequence, any allied agreement on that side of the vacuum was prejudged.

By the middle of 1946 the fact to which the Admiral has referred was strikingly clear, that there were only two powers of sufficient strength with sufficient industrial potential in the world to flow into those holes in the international structure, the United States and the Soviet Union, and of those two it was the Soviet Union that was the more prepared to flow into these holes, and the flow started early -- by the consolidation in Eastern Europe of a satellite block, by deliberate undermining of any authority that the Chinese National Government might have possessed in Manchuria, North China, by probing for soft and tender spots in this partial vacuum in the Near East and Mediterranean, but always -- and here we come to the military capability factor -- by maintaining an effective Army in being even at the cost of a retarded improvement in the economy of civilian consumption.

In contrast and during that same period the United States and Western European states, by over-hasty demobilization and by an over-rapid conversion of productive machinery to the demands of civilian consumers, cut back the relative power that had stood in place in 1945, cut it back in a very short space indeed from overwhelming actual force to a

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disorganized potential force that could, of course, be re-stered, but it was cut back to the potential. Consequently, what might have been a fairly typical international situation, the filling of vacuums, partly by force, partly by negotiation, took on instead the characteristics of a global power contest and became from the American point of view a fundamental and continuing problem in national security.

Now, that is the context in which to talk about foreign military capabilities. A word of introduction about these capabilities. At the end of the war the general process of demobilization began and went much further than is commonly recognized. For example, the total ground forces of the world, excluding the United States, were reduced by 51 per cent, comparatively soon after 1945. The only positive increases since that time have been in Greece, in the Netherlands, in some Latin American states, in some areas of the Far East and in the Arab States. The significance is only local.

The largest percentage decreases, on the other hand, have been in the British Commonwealth, which was cut by 36 per cent, and the Soviet Union, which was cut by 73 per cent. But in the case of the Soviet Union, that reduction did not represent an equivalent cutting back of an overall military capacity. On the contrary, it was accompanied by new and more extensive training, by a more extensive reorganization application

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of weapons, by a structural increase, by the development of new mobilization plans. So, at the moment while the Soviet Union was reducing the number of its military personnel, it was actually adding to its offensive capability.

In addition, an extra and probably unexpected benefit was provided by American and Western European demobilization, for every stage by which they returned manpower to civilian life served to step up correspondingly the preponderance of Soviet military strength during this time. Consequently, on that solid foundation of military capability actually in being, Soviet influence flowed into the cracks and into the holes of this international structure. Partly as a matter of policy but also partly because the circumstances were favorable for doing so.

And by the time that military capability was recognized as a factor for seriously affecting the whole conduct of international relations, it was not easy to quickly redress this balance of military capability that was being upset. The only possible break, in fact, on the free use of that power in being was the Soviet fear that the United States might resort to war, and consequently its immense potential, of which the Soviet Union was fully aware, would be converted back one more into actual power. That was the only break on the situation for a period of two or three years.

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In that context, with that general statement about the way in which military capabilities actually play in and out of an international situation, you can return to the figures that the Admiral mentioned. The easiest way of grouping these in order to see their significance in the international picture, is to take the Soviet military capability as being centered in the land mass of Europe and Asia. Within that central position we have a military personnel of approximately 4 million, but divided in this way: approximately 50 per cent of it is placed in relation to the vacuum of Europe; approximately 20 per cent in relation to the vacuum of the Near East; approximately 30 per cent in relation to the vacuum in the Far East.

The Air Force is roughly distributed in the same way -- 50 per cent for Europe, 25 per cent for the Near East, 25 per cent in the Far East. The Soviet Navy which consists of six fleets is distributed four to the west, two in the Pacific area.

Now, essentially that body of armed forces in all its categories in a central position must be regarded as an Army in being, well-equipped with present-day weapons, adequate reserves and organized industrial support. The only essentially defensive element in that setup is the Soviet Navy which apparently has been designed primarily

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as a defensive force. It is not a heavy-ship nor a deep-water Navy, and its basic mission seems to be to cover the water approaches to USSR and to give defensive support to ground and air forces.

To that hard core of capabilities the satellites in Europe and such satellites as operate in the Far East add little in the way of equipment, little in the way of offensive capabilities.

Now, to balance that ready strength at the center of Eurasia you have these following -- let me call them for identity -- anti-Soviet capabilities. In Europe the present ground forces total approximately 1,200,000, divided 50 per cent for the nations who have signed the Brussels Pact, 10 per cent for the Scandinavian nations, and 40 per cent for all others, which includes Greece. Those figures are misleading because they represent nothing except a manpower potential. Only three of the forces that are included there can be considered combat effective military forces at the present moment -- those of Great Britain, Sweden, and Switzerland. In those cases their offensive capabilities are severely limited -- in the case of the British by the over-extended commitments, in the case of Sweden and Switzerland by defensive traditions. Consequently, all other forces except those are poorly equipped, poorly organized, and

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inadequately trained.

In addition, a disorganized industrial production has denied the means of making a quick improvement in these respects. Only in naval strength can the military capability of Western Europe be considered superior to those of Soviet Russia. In the Far East you can build up the most impressive numerical figures, but in effect the Chinese Nationalist Armies, numerically impressive, are now a disintegrating liability. European forces, that count more than 100,000 are concentrated in South East Asia. Various nationalist armies, as in Viet Nam, Indonesia, Korea, and Siam, are of uncertain alignment at worst and of purely local significance at best.

In the Near East the Turkish Army alone is capable of serious effort. European capabilities are limited to those of Great Britain. From that rough and ready statement of unbalance in capabilities that exist throughout continental Eurasia you can draw this picture. The major areas of conflict at the moment obviously lie within this continent. The Soviet armed forces in preponderant strength are primarily designed for operations on that European land mass.

The capability that has been described doesn't at this moment exclude a capacity for a powerful offensive action against the Western hemisphere. Such action from a purely

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military point of view requires a sizable strategic air force, weapons of mass destruction, a deep-water Navy. But by having that preponderance in these areas of trouble, the Soviet military capability has become an abnormally important factor in international relations, in the issues that have grown up in these trouble areas.

A curious situation has, in fact, developed in which the potential power of the United States and the actual power of the Soviet Union have come face to face over precisely the same bones of contention. At that point it is very strongly suggested that military capabilities measured by a conventional yardstick don't give you the whole picture. To them has to be added these factors of manpower potential and skills, agriculture productivity, social organization, that makes military capability effective and keeps it so while it is being used.

Thus, you may be able at the present moment to say that this survey justifies the conclusion that the Soviet Army has a unique offensive capacity at this moment, and in turn you can jump to the theoretical statement that the Soviet union could over-run Western Europe and a good deal of the Near East in a relatively short time, but that doesn't answer the important related question which momentarily checks the free application of that force in being, and that is, What

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about the logistic and productive and social capabilities. What about the logistics that would have to maintain this initial superiority if it found itself involved in the global conflict that presumably would follow its free use.

Yet, it is precisely in the region of that intangibility that the problem of American security now arises, and presumably will remain there for some time while the ground is searched for some way of redressing so unsatisfactory a situation.

The various possibilities can be illustrated by the series of questions through which we have all watched ourselves move in the last year. Can you, by adding up the capability of an anti-Soviet group, balance your Soviet capability? Can such a group of states have the combat effectiveness of their armed forces rapidly increased by restoring their logistical productivity and social capability?

We have been thoroughly exploring those questions and now we come to the point where those nations whose capabilities we have been exploring come back to us with a question because it's been perfectly clear that there has to be an interim period in there of a dangerous kind -- the states come back to us with the question, What can we do? Suppose we do take their armies, suppose we do equip them. What can we do

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to guarantee the security of the general situation during this dangerous interim period when a potential is still facing an actual power?

Demands of that sort introduce considerations that run far beyond the field of intelligence. Intelligence appreciation has to stop short of the field of policy decision, but the intelligence appreciation sets the nature of the security problem clearly enough and it is simply that in an international situation where an abnormal balance of foreign military capabilities has developed and where a power conflict has been bipolarized and only two can do anything about it, you find yourselves under the outward necessity of balancing potential against actual power. That colors the entire conduct of foreign relations and makes every issue in the power conflict take on the appearance of a crisis.

Thank you very much, gentlemen. (Applause).

REAR ADMIRAL HILLENBRETTER: I'd like to present now Mr. Harvey who will give a talk on the Communist Party and Communist tactics.

MR. HARVEY: Gentlemen, every man I think approaches any problem, whether it is the Communist Party or any other, from the background of his own experience and his own particular interest. In line with that I'd like to discuss the Party, not from the propaganda standpoint, not from the

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ideological or so-called social standpoint, but from the standpoint of two things, one, the Party and its part in the world Communist movement, as constituting just as much a capability of the Soviet Union offensively and defensively as any other tool available to the present Soviet government, and secondly, the Party as it exists as a conspiratorial organization.

Now, unfortunately, any Communist Party, whether it is the Communist Party, U. S. A., or any country, has been badly analyzed time and time again, has been misconstrued and misevaluated. From the standpoint of intelligence, particularly from the standpoint of counterespionage, a Communist Party is not a political party as such at all. It is a conspiratorial, partially clandestine, quasi-intelligence and penetration organization which is now, as it always has been, at the complete control of the world Communist movement and at the complete disposition of the foreign policy, the military policy of the Soviet Union.

Now, I'll place most of my comments in the context of the Communist Party in this country because I think, one, it is of pertinent and germane interest to you, and two, it is somewhat easier to define for the purposes of American security than the problem raised by certain foreign Communist parties. The things that I say in general, however, are as

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applicable to any other Communist Party as they are to the one here.

In the first place, the Communist Party, U.S.A., or any other Communist Party by purpose, by structure, by capability, extends far and above the mere concept of a political organization. It is a conspiratorial group tightly organized, usually completely monolithic, completely responsive to that iron concept of Bolshevik discipline, and dedicated to the overthrow of this and every other non-Soviet government by force, violence, or any other means which are available or can be developed.

In addition, any Communist Party is a completely amoral organization. It is, in effect, or it represents in effect, a duality, one, the open recognized political organism which has national officers, national committees, publications, propaganda outlets, so-called political platforms and all of the other adjuncts of political action. But, coexistent with that function, coexistent with that organization is the party as a conspiratorial group.

Now, the Party in this country, and of course, since the October Revolution in 1917, and in practically every country has existed for roughly 30 years. Regardless of what form the Party has taken, regardless of what tenets it has at the moment propounded, its fundamental strategic

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concept has not changed one iota. For 30 years the Communist Party, U.S.A., under its various names and forms has been in a state of unadmitted but open war, not only against our government as a system, but against this government and this nation as they represent potentially and actually the greatest single remaining force blocking Soviet aims at complete world domination.

Now, the Communist Party in practically every country, including this one, has gone through a number of organizational forms. It has backed and filled and changed and switched alleged policy, made different approaches, changed leadership, given promises of non-violence, changed its propaganda, allegedly varied its objectives. All of those changes, gentlemen, are purely the tactics of the moment. They have absolutely no relationship to the fundamental American concept of the Party or of any Communist Party which is that this and every other government must go by any means possible, to be replaced by a series of Soviet states undoubtedly under the control of what now exists as the USSR.

Now, there are two factors in any Communist Party. In addition to its physical scope, which makes that Party a security risk and a definite threat, one, it is an ideological movement with all of the unreason and illogic of fanaticism, at least among a portion of its supporters, and, two, it is a

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type of organization which does not depend either for its force or effectiveness on the numbers it can count as carrying members. A Communist Party of this or any other country represents an elite group. It represents an elite political vanguard, using their own terminology, to the same extent almost as the National Socialist German Workers Party was supposed to represent for the German nation before 1945.

In that particular concept as being elite, the Party is a highly mobile and highly usable tool. Its leadership is not only well-trained, but its leadership has been broken to a line of discipline which is surprisingly invariable. Thirty years ago the dozens of Communist Parties which were then coming into existence represented unpredictable quantities. The Soviet Union and particularly the leadership of the Communist Party of the Soviet Union which is the controlling World Communist Party, were unable to count on the reactions, on the control, or on the obedience of any Communist Party at any given time. As a result of that, an organism was set up for the primary purpose of controlling all Communist Parties and breaking them to the mold desired by the Soviet Union. That organism, which was both conspiratorial and political, was, as I think all of you know, the Executive Committee of the Communist International.

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From 1919 until 1943 when the so-called Comintern was at least ostensibly dissolved it was the controlling force of world Communism. It was the control mechanism through which the Communist Party, U.S.A., the Communist Party of France, the Communist Party of Italy, the underground Communist Party in Germany, for example, were all knit together as a single, cohesive, coordinated instrumentality of the Soviet foreign and military policy.

Now, that, very briefly, is exactly what any Communist Party constitutes. With the dissolution of the Comintern certain control machinery has unquestionably taken its place. However, you should remember this, that at the present time, 31 years after the October Revolution, the world Communist movement has been broken to the Soviet pattern to the point where a day by day control and guidance is no longer as necessary as it was even ten years ago. Every Communist Party on earth, gentlemen, is led primarily by men who are owed body and soul by the Soviet Union, men most of whom were trained in the Soviet Union, whose whole reason for existence, whose whole psychological approach depends on rationalizing one, the power and glory of the Soviet Union, and, two, the power and the necessity of a world Soviet state. That is rather bluntly put, but that is the only logical conclusion to which their reasoning can be carried.

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Some of you have undoubtedly noted the psychological and mental torture which affected Communists almost invariably go through. The reason for that, actually, is very simple. Those men -- and this is true of most Communist leaders with the exception of the mercenary, of course -- have built their entire existence around the concept of Bolshevism. Take that away from them and you have taken away the psychological and the fanatic reason, the motivation, the springs of motivation which make them tick. That, again, goes back to one of the two reasons why any Party is dangerous. Any Party member, gentlemen, obeys Party discipline and orients himself on the rationalized approach that anything that is good for the Party or anything that is good for the Soviet Union is right.

Now, the physical structure of the Communist Party, U.S.A., parallels very closely that of any other Communist Party. It is, in effect, a tight, closely knit hierarchy broken down to the cell level, adapted to immediate underground activity, if necessary. In this country that was beautifully illustrated by the history of the Communist Party, U.S.A., immediately after the Soviet-German Non-Aggression Pact of August, 1939. Within 90 days after that pact and the consequent opposition which it engendered to Communism generally, the Communist Party, U.S.A., was at

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least 60 per cent an underground organization. It is capable of doing exactly the same thing again.

Now, from the standpoint of any intelligence officer, particularly any person whose primary interest is counterintelligence or counterespionage, the Communist Party of this and every other country is of primary interest because the world Communist movement, and that includes not only the Parties but the periphery of every Communist Party, represents with absolutely no question the single most effective tool of Soviet and satellite intelligence. There has been a great deal said to the effect that this Communist Party or that Communist Party has nothing to do with the Soviet Union, has nothing to do with operational Soviet espionage or sabotage, is merely a group banded together for ideological purposes and to assure the future of a better world. All of that is so much pop psychology. Soviet offensive intelligence based in any country or directed against any country receives its primary support from the Communist movement.

I do not mean to infer by that that a standard operating procedure for the Soviet M.I.B., for example, is to turn a Communist Party into an espionage net. What I mean is this. Take as an example the present and recent situation in the United States. The Communist Party, U.S.A., its membership, its front groups, its supporters, its sympathizers, as furnished the primary recruiting basis for Soviet intelligence.

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It is seldom that you can take an effective Soviet intelligence agent that you cannot also discover that at least at some time in the past that man was active in and a part of at least the friends of the Communist movement. Further, the Communist movement has afforded physical facilities to Soviet intelligence, not only recruitment but in many cases finance, communications channels, all of the list of things that are necessary to run an effective intelligence service. That, gentlemen, in my opinion is the primary reason why the Soviet intelligence services at the present time viewed from the standpoint of the effectiveness and the depth of their operational offensive espionage against other countries have available to them an espionage coverage system which has not been paralleled in modern times.

Now, in addition to the facilitation of operational espionage, and in certain cases of physical sabotage, the Communist Party furnishes to the Soviet Union its most valuable tool for political penetration. Most Communist Parties are quite adept at that, including the Party here. The power and influence that has been exercised by the Communist Party, U.S.A., in every phase of American life is completely disproportionate to the actual membership of the Party itself. The actual membership of the Communist Party, U.S.A., is a controversial point. Perhaps the best

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estimate is in the neighborhood of 65,000 to 66,000. The Party itself frequently describes itself as a political organization of about 100,000 members. Actually, the Party membership at the present time may be as low as 50,000. However, that relatively small group represents not only a known quantity to Party leaders but a known quantity to the Soviet Union. It represents a relatively hard core of trained militants. The power and the influence exercised by that in comparison with 140,000,000 people -- a mere handful -- is perhaps ten to fifty times greater than that exercised by any similar group of similar size.

The perpetuation of the Party purposes of the Soviet Union, the so-called Workers' Fatherland, is not a six-hour a day job. It is wrapped up in its entire life, its entire reason for being, actually, and in this particular field of political penetration it is an unpleasant fact to have to state, but it is a fact, and that is that in every so-called Western country -- in this country, in Canada, in the United Kingdom, in France, in Germany, and that

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to run an espionage net to find out something if you can influence the country or the government involved to give it to you free. You don't have to worry too much about dispositions, military or otherwise, if your penetration and your espionage coverage is good enough to tell you in advance the potential you face and possibly the plans that you face.

Now, at the present time the Communist Party, U.S.A. is on paper weaker, perhaps, than it's been since 1940. For the first time in the last three years since the non-aggression pact, there has been a substantial public anti-Communist campaign in this country. It has had a certain effect, but it has not lessened the conspiratorial capacity of the Communist Party, U.S.A., by two per cent. It's given a great many Communists a certain number of sleepless nights. It has alerted a certain number of people who were not alerted to the Communist Party before, but it has not even touched the hard core of Party organization which is still available for the purposes of the Soviet Union.

Now, that paper decline in power of the Communist Party, U.S.A., is not paralleled in the rest of the world. The situation at the present time, with regard to the actual potential of the world Communist movement and particularly of the world Communist movement as an adjunct of the Soviet

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Union, is completely different from what it was before World War II. There is practically no country on earth at the present time, in fact, no country of any importance, in which the Soviet Union does not command through the indigenous Communist movement there a force capable not perhaps of an armed revolt, but capable of widespread espionage facilitation, effective political penetration, and in the event of actual hostilities, capable at least of a great deal of disruption.

Contrast that with the situation in 1939 when the Communist Party of Germany, for example, which was the largest and the strongest of the Communist Parties outside of the all-union Communist Party Bolshevik, and which has a 20-year tradition of furnishing far more than its share to operational Soviet intelligence, had been practically butchered. The Communist Party of France was still strong, but for all practical purposes there was no Communist Party in Italy as a functioning organization. Communist Parties of the Low Countries, of the Balkans, of Scandinavia, were relatively impotent and small.

As you all know, that situation no longer exists and the fact that there does exist a conspiratorial movement dedicated to the aims and objectives of the Soviet Union, cloaked with the ideology of dialectical materialism and

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supported by at least a certain modicum of fanaticism is no small part of the motivation for the intransigence of the Soviet Union in the military and political field.

Now, as I mentioned, I have no desire to discuss the Communist Party or the Communist movement with regard to the social forces it impinges on, with regard to the contents or tenor of its propaganda, with regard to what any person may think of its theoretical and ideological beliefs.

In conclusion, the points I desire to make are these, that the Communist Party in this and every other country is first, an integral part of the World Communist movement. Second, that as such, a part of that world movement is dedicated not only to the overthrow of this and every other similar form of government, but it is dedicated completely to the effectuation of whatever aims and objectives the Soviet Union may now hope to attain or may in the future propound. And, finally, that in the last analysis whatever you may feel about it as an ideological matter, this or any other Communist Party is a military party alone. It is in addition a highly integrated monolithic conspiracy dedicated to the objectives I have just mentioned, not by peaceful means but by forceful and violent overthrow, and by every other means of chicanery, sabotage, or other ways that

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it has now or can ever hope to have at its disposal.

Thank you. (Applause).

REAR ADMIRAL HILL: Mr. McMillen will now talk on counterspionage, counterintelligence.

MR. MC MILLEN: Counterintelligence may be defined as any means which a country takes outside of military force to protect itself at its installations overseas from the activities of foreign intelligence services and from entrance of other undesirable characters. It is almost unnecessary to point out the need for counterintelligence in view of the speakers who preceded me. It is necessary that we have it in order that we may be able to identify and keep away from our secrets those agents of foreign powers who have been given the job of finding out about them or becoming familiar with the atomic bomb secrets, nuclear energy, and things of that type, which obviously are particularly germane to the effectiveness of American military capability.

There are various agencies involved in counterintelligence activities such as the Office of Naval Intelligence, the Intelligence Division of the Army, the State Department as it works with visa and security work and admittance of persons to the United States, the F.B.I., of course, charged with internal security of the United States, the Immigration and Naturalization Service, which has so much to do with the admittance of

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non-admittance of aliens, and then the service counterintelligence forces such as the Counterintelligence Corps of the Army and similar groups of that kind in our services.

The means which these agencies use to attempt to frustrate the intelligence activities of the other countries are, one, through the visa procedures which are handled by the State Department. Every alien, of course, coming to this country must obtain a visa for entrance. It is through this means that we are able to strain out to some extent those persons who should not be admitted to the United States. It is the responsibility of the State Department to handle this work. However, it is the responsibility of the Central Intelligence Agency to assist the State Department in this work by making available to the State Department all information which it gets concerning these applicants which reflects on the undesirability of the entrance of those persons. In that respect we have worked very closely both here and abroad.

In addition there are the inspection services and the work of the Immigration and Naturalization Service which inspects the persons and papers and belongings of persons who come to the United States and follows up the actual mechanics of their entrance and may deport them if it is found subsequent to the entry that they should not be here.

In other countries you have a vast multiplication

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of all these various procedures. As you know, when you go to a hotel in a foreign city you have to fill out a long form saying where you came from, your name, and all things of that type. You have your passport procedures going into other countries and your police registration. We don't have those here, so we must depend upon the work which can be done by our intelligence services and the F.B.I.

There has been some consideration given this morning to the place of the so-called Marshall Plan, or European Recovery Plan, as a major instrument of policy of the United States. Russia and the Communist Party have openly come out and stated that they will do everything in their power to defeat that major policy of the United States. They intend to do that not only by open propaganda and open warfare of a political sort, but because of the very nature and structure of those parties, they'll do it in a clandestine manner. Their activities will be guided by the Soviet Union. The ways in which they perform their task to defeat that policy of the United States will be through clandestine channels. The only way in which those channels can be entered, their plans known and frustrated, the United States forewarned as to the various attacks which may be made upon a program of that sort, must be done through a clandestine organization operated by the United States which is able to attack those

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people on their home ground.

Prior to a few years ago, as you know, and prior to the war the United States Intelligence Department for the Armed Services was restricted entirely to the interior of the United States. We were sort of in a position of sitting duck waiting for them to come to us and then putting up the best defense we could when they had gotten here. The emergence of the United States into its present position, the war, etc., made it very plain that we could no longer sit here and wait for them to come to us. We'd have to go to them and try to find out what they are doing on their own home ground as being the most efficient and most effective way to work our counterintelligence.

Now, the CIA under a National Security Council directive was ordered to conduct espionage and counter-espionage in foreign countries and outside of the territories of the United States. Note that the burden of that direction was counterespionage. Counterespionage is a part of counterintelligence. It is one of the means which constitutes the all of counterintelligence. Counterespionage is the aggressive part of counterintelligence which mainly is done through the use of forces, police organizations and organizations who operate within that country.

The purpose of counterespionage is to aggressively

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go out and find the enemy, to subvert his employees and his agents to find out the secret plans are, to frustrate him and use him to your own ends. For that reason we must go abroad. We must go to the home countries of these other intelligence services or other countries where they may be found.

Therefore, under the CIA we do have a mechanism for going to the home grounds of another intelligence service and attempting to use it. Where a country is friendly we obviously will attempt to use it. It is much cheaper and makes more sense to use your friends than try to flood the countries with your own people. In the case of our enemies or neutrals we may either use them unbeknownst to them or we may have to operate against them. One of the tactics, of course, is the use of the agent to find the agent of the other power, to subvert him to your own ends and turn him back against his masters unbeknownst to them.

The ultimate aim of counterespionage work is to seek out and identify the intelligence agents of other powers, the subversive organizations in foreign countries which are against our interests, and either to use them or control them or to stop them, nullify their efforts entirely. That we must do abroad and are doing today.

Now, another function, one in which we are taking quite a part, is the coordination with other American agencies

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responsible for internal security both abroad and at home. In some foreign countries, as you know, American military forces are stationed. They are responsible under various treaties for the governing of those areas. The military forces have their own internal security forces, but in addition, there are plans of espionage and subversion mounted against them from areas in which they are not stationed and do not have representatives. It is our task to keep the armed forces in these areas briefed as to the attempts which may be made against them.

Again, in our State Department installations overseas there are many cases and we are continually receiving reports and actual plans of other intelligence agencies to subvert our diplomatic representatives, to find out what our plans are, to find out what Mr. Harrison is going to do and what he has been talking to the Italian Premier about so they may forewarn their masters and take steps to countervert or go against our plans.

In the United States we cooperate very closely with the F.B.I. in the counterespionage field. It is our duty and our job to identify foreign agents abroad and whenever we find that one of those agents may be coming to the United States, either clandestinely or openly, under a false name or his own, we report that immediately to the F.B.I. who,

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when the agent gets here, take such action as they deem necessary.

There is another type of case I might describe. We receive information from one of our sources that a certain Joe Doakes has been hired by a Communist Party in a certain area in a foreign country -- let's say Italy. He is a native of Italy and therefore is not suspected of being Russian and he has been trained and told clandestinely to come to the United States where he will contact members of the party here, perform certain errands, and then go back to Italy. In a case such as that we inform the F.B.I. of what we have found out and we work together to try and see whether we ought to let the man approach. He's brought over here. The F.B.I. will follow him, find out whom he contacts, his plans, etc., and then we pick him up overseas.

A case like that obviously might go on for years but through such coordination and cooperation with the military forces and internal security forces of the United States, we feel that given sufficient amount of effort and time and collaboration, we can do much to protect the internal security of the United States and assist its military potential to protect its secrets and armed forces.

Thank you. (Applause).

REAR ADMIRAL HILLENBRATTER: We have time now for

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questions. We'll do the best we can in answering.

VOICE: I am confused about the area of the intelligence operations of Naval Intelligence, Military Intelligence and your own abroad and here. I understand you work with the F.B.I., but how about Military and Naval Intelligence?

REAR ADMIRAL HILLENBRETTER: I think as an example of how that works, the Service Departments -- Army, Navy and Air Force -- and the State Department all get their own intelligence which is based primarily on their own departmental needs. We take the intelligence from all those and from CIA and combine them into one for the needs of national security. I mean the Navy, for example, are particularly interested in and would put most of their efforts in the Merchant Marine, the naval vessels, the ports of a foreign country. The Army would be much more interested in their ground forces, the industrial plants that are making weapons for the ground forces, the manpower strength; the Air Force would be interested in their combat airplanes, their commercial air, their air fields, and the industries that are working for aircraft. We take all of those and combine them together into the finished product which gives a whole picture for a foreign country.

It's like automobile manufacturing. Certain

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contractors produce parts. The manufacturer himself produces parts, and finally assembles the whole thing and the car rolls off.

VOICE: Wasn't it just stated you maintain your own staff for counterespionage abroad in supplementary areas?

REAR ADMIRAL HILLENKOTTER: We are charged with all espionage and counterespionage abroad with our own personnel.

VOICE: Is that personnel selected through your agency?

REAR ADMIRAL HILLENKOTTER: Yes.

VOICE: And with the interest of Civil Service?

REAR ADMIRAL HILLENKOTTER: We follow Civil Service rules -- pick the people, give them a security check, put them through school.

VOICE: (Mr. Thompson) I'd like to ask Mr. Harvey a question about Communism. In your opinion has Communism increased or decreased among the American Negroes since 1940 and why?

MR. HARVEY: That is quite a broad question. That puts me slightly on the spot for a good reason. As you know, our jurisdiction is primarily outside the United States. I would say this, in answer, that the claims of the Communists

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Party, U.S.A., as to its control of the Negro element, the extent of its influence among Negroes, have been very badly overrated for propaganda purposes. I think you'll find that the extent of Communist influence among any minority in this country, and that includes the so-called Negro minority, was varied -- let's take 1939 and 1940, if you don't object -- for this reason, that to a variable degree the political development vis-a-vis the Soviet Union since 1939 can be traced by their effect not only through Party propaganda but through the extent of Party influence,

Now, many of you will remember that during the period from 1934, principally, to 1939 the Party was able to build a great deal of support on the basis that it was the strongest, most militant anti-Fascist, anti-National Socialist force. Frankly, that was sucker bait but it took a lot of people in of all categories. With the non-aggression pact, which, of course, immediately forced them to drop the so-called People's Front which was the alleged inclusion of all anti-National Socialist and all anti-Fascist forces, the influence of the Party among non-Communists, particularly in so-called minority elements, decreased very suddenly until June 22, 1941. From June 22, 1941 until late 1945 -- actually early 1946 -- the Soviet Union as such and the Communist Parties as following out and effectuating, one, the dictates, and

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and frequently they aren't those whom, for propaganda or political purposes, they set up as their national officers. The men that actually control policy of this and every other Communist Party are primarily men who were trained in school. If you are talking about that type of Party member I think you'll find that the percentage of Party members who have been Moscow-trained and who actually are in the controlling conspiratorial category of the Party are not out of proportion to the same proportion that the Negro population bears to the entire population of the United States.

It is a very difficult question to answer because it is one of the places that the Party has brought to bear a major propaganda effort for the obvious purpose of splitting the Negro population from the rest of the population of this country. The obvious purpose is creating friction, creating bitterness, creating resentment. They have done that, for instance, by promising things they couldn't possibly fulfill. You very probably know yourself of the swaying back and forth in the Party line on what they at one time proposed would be a Negro republic, taking in some one-third of the 48 states. They have promised that with a straight face, and I don't think, frankly, that the Party leadership is stupid enough to believe that there is any possibility of their effectuating that at all.

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two, the objectives of the Soviet Union, were remarkably successful in accomplishing this fact. They were remarkably successful in identifying in the minds of many people their objectives, their policies and their aims with those of all elements for any reason with Anti-National Socialists, anti-Germans, anti-Fascists.

With the increasing evidence, particularly the increasing obvious evidence, of Soviet intransigence after the close of World War II they lost a great deal of that support. They found it no longer possible to say, for example, "The Soviet Union and all Communists are in the forefront of the anti-Fascist fight. Therefore, everybody that is anti-Soviet or anti-Communist is pro-German, pro-Fascist, and a traitor". I think all of you remember the smear attempts of the last almost ten years on that basis.

Now, with that as background with regard to your specific question the Communist Party in this country for a great many years has not only stressed its appeal to the Negro just as it has to every other element, but it has tried to support that appeal by placing those of its members who happen to be Negroes in positions of considerable power.

Now, we know that that has been done with a highly cynical purpose, a sales job, actually. The men that run the Communist Party, U.S.A., are not these men, necessarily.

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So, when you attempt to give a definitive and an impartial answer to the question you have just raised, you immediately run up against the fact that nothing that the Party has done in its appeal to the Negro population has been done for any other than two purposes. One, to engender and raise support for the Party, and two, to capitalize on what they think is or may be a potential schismatic opportunity to split one portion of the population from another population.

I don't know whether that is a satisfactory answer or not. That is about as close as I can get.

VOICE: Would Mr. Harvey's remarks be available to the members or are they off the record?

REAR ADMIRAL HILLENKOTTER: In that connection I'd like to ask all of you to treat them as classified. They would not be available. We are giving out information. We can work better both in espionage and counterespionage if there is not too much information.

VOICE: Would Mr. Reitzel care to comment on Russia's military strength as to types of submarines, atomic power and ability to wage biological warfare?

MR. REITZEL: I can say nothing about either atomic power or ability to wage biological warfare. With respect to submarines, the present estimates are that there is a building program concentrated on submarines and anti-submarine

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vessels. That is generally regarded as being an element in the defensive mission that has been assigned to the Russian Navy, regarding submarines as a method of defending the offensive operations of the Army. Beyond that I can't be more specific.

VOICE: On atomic power you say you can't?

MR. RHITZEL: I can't because I lack the information myself.

VOICE: (Mr. Moody) I'd like to ask Mr. Harvey what methodology has been employed to distinguish between these hard core believers and these casual or accidental people that might drift into the movement in one of those two periods you mentioned, because of this general anti-Fascist attitude or for some other local reason? Is the distinction kept in mind and an effort made to separate the two groups?

MR. HARVEY: It has to be. I think you'll find this. One, that the question of whether a man is a card-carrying Communist Party member is not only not controlling but it frequently is not even pertinent. The definition of a Communist -- this is pretty crude, and definitions aren't much good in this business -- regardless of whether a man is a Party member or not, if he consistently supports the Party line, if he consistently supports the political precepts

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and aims and objectives of the Soviet Union, he is a Communist whether he has ever had a card, whether he has ever attended a Communist meeting or not, and frankly, the strength of the Communist Party movement frequently rests on that type of person. It is a type which is very difficult to give capsule description of, but perhaps the best is pro-Soviet, pro-Marxist intellectual.

For example, the backbone of the recruitment for Soviet intelligence comes from two classes of people. They come from people recruited directly from the Communist movement. In other words, Communists to the extent that they have been Moscow-trained. They have been in the apparatus. They have been in the conspiratorial part of the Party for years. And secondly, from that type of misoriented intellectual who is pro-Soviet, so Russified or so pro-Marxist that he is willing to blind himself to the point of committing treason. There is, frankly, a clear predilection for both espionage and treason in that type of person.

Getting back to the more general aspects of your question, that is, the hangers-on, the casuals, what the Party calls "innocents" that were sucked in through various Party propaganda appeals which at the moment on their face were thoroughly fine and thoroughly desirable and thoroughly idealistic, there are a number of very hard and fast tasks for those people. They don't always work but they frequently

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do. You'll find that most of the true innocents of the Popular Front got badly sickened by the non-aggression pact. You'll find that a group of the same type became completely fed up by the emerging intransigence of the Soviet Union in the international scene after World War II.

As a rule of thumb -- and remembering that no rules in this business always work -- a man who consistently supported Party fronts, Party precepts, and the policies of the Soviet Union during the period of the People's Front through the non-aggression pact, up to June of 1941 when it became the People's War of Liberation -- and to make it a little stronger, through the war and into the present period when all Americans are dirty Fascist beasts, imperialists, etc. -- that man, I don't care whether he has ever seen a Communist Party card or not, is a Communist, and he is just as dangerous as the man who is a working man, who goes to every Party meeting, pays his dues regularly, shouts from the street corner, "I am a Communist and I believe in the future of Mexico".

VOICE: From your standpoint, Admiral, would you rather have the Communist Party declared an illegal party or not?

REAR ADMIRAL HILLENBOMER: That is a difficult question to answer, that is, particularly in the United States.

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I think it would add a great deal to the difficulties of controlling it if it were forced underground. That, I think, is the position taken by Mr. Hoover who certainly is more of an expert in the United States on the U. S. Communist Party than I am. He says that he can control it better if it stays as a legal party than if it is pushed underground.

VOICE: Mr. Reitzel made a remark that seemed to be Russia's practical power in being against our potential power. Does our possession of the bomb enter into that as being something that seems to be in being and powerful?

MR. REITZEL: That can only be answered theoretically. Certainly by any measurement of capability it represents power in being. The limitation on it becomes a calculation under what conditions can it be used without creating repercussions which would reduce future capabilities. Those considerations are probably more political than they are military.

VOICE: Would you care to express an opinion concerning the usefulness, desirability or necessity of the activities of the House Committee on Un-American Activities?

REAR ADMIRAL HILLENBRETTER: That's putting me on the spot. I think that is something purely political. I'll not answer that.

VOICE: I am interested in your problem of personnel, because as an editor about once a month some former member of

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some secret agency of any one of the groups seems to be eager to sell his memoirs, and I think that is an experience that most editors have, and that underlines the problem of getting good people who work discreetly and faithfully. It is hard to blame anybody. Most men work either for honor or cash or for a kind of fanatical zeal. I wonder if that isn't an important part of your problem and the total problem, and I wonder if you have any ideas for meeting it.

REAR ADMIRAL HILLENBROTTER: That is a very big problem. We lost the people who worked in the war, who did very excellent work in the war. They became unavailable to us the moment they publish a book or article where they are identified. Everything is very carefully read and very carefully scanned. If a man puts out a book his usefulness as an agent is gone. We try to discourage that and if anybody writes now, we have to let him go immediately.

A great deal of people get caught up in intelligence work and like it. We have had no trouble in getting people to do it. The difficulty we have had is people who, because they have been a week or so in a foreign country, claim they know it, and then we say we can't hire them and they are very indignant. We have more applicants than we can take care of and in that way we have been able to make a very good selection. We do not have to beat the drums to

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get them to come in.

VOICE: I wonder if Mr. Harvey would care to comment on the motives behind the repudiation of Communism which some of the prominent ex-Communists -- Budenz, for example.

MR. HARVEY: I think in answer to your question -- I'll take Budenz myself. His motivation is simple. Budenz was raised a practicing Roman Catholic. His first entry was through the labor union and was through something in which Budenz very firmly believed which was the betterment of the lot of the working man. I think when Budenz first went into the labor movement in Chicago he very seriously believed that, very honestly believed it, probably. Budenz went from the labor movement, as so many men have gone -- not only from the labor movement but other similar or parallel movements, into the fringes of the Party. Almost before he realized what had happened he had been sold the bill of goods, all the way from the growing Socialist Fatherland to the future of the working class. "Workers of the World, Unite. You have nothing to lose by your change, and everybody else is a so-and-so and a such-and-such." From that point on he became a Party official.

At the time he became a Party official he began to see more clearly, because he had personal contact, the class nature,

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illegal aspects. But by that time he had rationalized his own personal approach to the point that his belief in the public precepts of Marxism, his belief in the dialectical and historical approach, his rationalization for his own purposes that it was good for the Party, was so strong that it constituted his primary psychological and moral motivation.

I am beginning to sound a little bit like a stupid box but that is as close as I can come. But it took a number of years for Budenz to overthrow that buildup, that gradual development, that identifying of himself with a CAUSE, until by 1945 he finally reached the point of disillusionment and he broke with the Party.

A contributing cause to that disillusionment, obviously, was his reaffirmation of the principles of Catholicism.

The motivation of other people who have broken recently is not quite that involved, and I think a good deal less honest. Take a man like Mike Quill. I think he broke for reasons of self-interest. He broke because he couldn't see continuing in his Party position and maintaining the things that his job meant to him. I think the same was true of Joe Curran, for instance. I think it's true of a good many others.

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Also, to a certain extent a factor in the defection of any Communist I think has been the fact that, one, the Communist is a good deal older than he was. He's been kicked around a little bit more. He's had a chance to see more than the tinsel facade of the Party and actually, no matter what you feel about the extent it has gone or should have gone, the lines are much more clearly drawn for the average person at the present time than they have been at any time in the past. In other words, people who in the past have discounted the Communist movement, who have said it's no threat, it's a bunch of crackpots, a voice crying in the wilderness, an honest if misguided ideological organization -- more and more of these people have come to the point where the issue is fairly clearly drawn. You either break this combination between the Soviet Union and world Communism or you go down yourself.

A few of the recent Communists have left because they were in trouble with the Party. They either deviated from the Party line, refused to carry out Party orders. By Party standards they got a little too big for their britches and they were clipped.

It is difficult to go into a man's motivation for defecting from an organization which is not only a conspiracy but which is also in form at least a quasi-religious fanaticism.

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and I certainly am not philosopher enough to do anything than throw out generally what are the reasons for the Communist movement from my own personal reasons and experience.

There are other factors, too, particularly for those people who do get into the actual conspiratorial work. In other words, they are used in espionage, for example. Take Budenz' case. He was responsible for giving the Soviet Intelligence a recruit who later provided the entry to Leon Trotsky's headquarters in Mexico, or the man known variously as Frank Jackson, alias Jacques Mornard Vandendriessche. His real identity is unknown. He put out Trotsky on the order of the Soviets.

There is enough of a little boy in most men that conspiracy and its cause have a particular point of appeal, but you take a man like Budenz who can see that something he did resulted in a political assassination and the pill gets a little hard to swallow.

COLONEL MC FADYEN: We are running over our time and there are at least 20 questions, so we'll have to break up into small groups so your questions can be answered.

. . . The meeting recessed until 10:45 a. m. . .

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REMARKS:

This report was returned to OGD by the Defense Department. It is Copy #1 of the minutes of a conference held in 1948 by Admiral Hillenko.

*Allen,
Here's the talk I mentioned to
you yesterday for your speech file
Rose Mary*

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